

This is a subjected review of the Cardinia Shire Council's Financial End of Year 30 June 2013 report.

Estimated Resident Population - Person - Total No. By year.

2001 = 47,010
2006 = 58,541
2007 = 60,782
2008 = 63,880
2009 = 67,936
2010 = 71,700
2011 = 75,573
2012 = 79,786
2013 = 84,979 forecast
2016 = 98,388 forecast

The average annual percentage population change for the shire between 2013-2031 of 18 years is 3.42% per annum.

Estimated @ 3.99%

Total percentage population change between 2013-2031 over 18 years is 83.12%

Rateable Properties/Assessments.

2012/13 Budget 33,200

2013/14 Budget 34,765

-----Start of a review.-----

Total income actual \$128,131,000 up 16%

Total expenditure actual \$93,631,000 up 13%

The starting point is the 2012/13 budget.

The valuation base used to calculate general rates for 2012/13 was \$14,531,909,616.

For 2011/12 the value was \$12,410,604,000 a yearly increase of 17.09%.

Budget Rates & Charges \$58,151,000

Actual Rates & Charges \$58,050,000 for 2012/13. Up by 9.77%.

Actual Rates & Charges \$52,885,000 for 2011/12.

Note - Rates & Charges increases are due to Rate Rises & population increases.

In the 2013/14 Budget Councillors have indicated year by year Rate Rises to be 2013/14- 6.8%, 2014/15- 5.9%,
2015/16- 5.5%, 2016/17- 5.5%.

In 2012/13- 6.4%.

Loan Borrowings are to continue each year.

However:-

Current Rates Debtors (non payment of rates @ end of year) \$5,648,000

All Rates:- Average Rates & Charges per Assessment by financial year.

2008/09 \$1,375

2009/10 \$1,491

2010/11 \$1,592

2011/12 \$1,648

2012/13 \$1,751

If you use \$5,648,000 current rate debtors & divide \$1,648 average rates \$ charges per assessment = 3427 assessments are not paid.

If all rates & charges were paid on or before 30 June 2013 the total Rates & Charges would have been \$63,698,000 Which would have been \$5,547,000 more (income) than budgeted for.

Other income was Interest of \$1,569,000 actual. That's right interest collected on ratepayers money. The amount was \$501,000 more than the previous year 2011/12. It should be noted Interest income each year is over \$1M.

Expenditures of concern are:-

Materials & Services.

Budgeted @ \$33,588,000. Actual was \$43,105,000 being \$9,517,000 more than what was budgeted for, a 28% increase.

Employee Costs Benefits

Budgeted @ \$27,724,000. Actual was \$27,297,000 a 2% increase.

Additional concerns are:-

Interest Bearing Loans & Borrowings.

Current \$3,863,000

Non-Current \$43,272,000 refer to pages 5 & 25 of the main report. Non-Current is a period after 30 June 2013.

(a) Total Interest Bearing Loans & Borrowings \$47,135,000 up from the previous year 2011/12. Interests rates vary between 4.07% & 8.136%. Refer to pages 25 & 31 of the main report.

However

(b) Finance costs were \$3,315,000 actual. Refer to pages 2 & 16.

(c) Repayments of Interest Bearing Loans & Borrowings \$3,449,000 actual. Page 7.

Debt Servicing & Redemption Cost \$6,764,000

Totals of (a)(b)(c) = \$53,899,000 actual. This is the overall.

The report shows 2013 overall gross payments of Principal & Interest amounts for Loans & Borrowings. The Councils payment commitment time intervals is page 35:-

6 months or less \$3,459,000
 6-12 months. \$3,459,000
 1-2 years. \$6,880,000
 2-5 years. \$20,470,000
 Greater than 5 years \$31,822,000

Totals = \$66,090,000. Future estimated borrowings indicate Council is not serious about reducing Borrowing/Debt on the immediate short term.

The weighted average interest rate on Borrowings is 6.67% during 2012/13 page 31.

The Council has reported a total Indebtedness of \$69,583,000 page 39.

The Over Draft interest rate as at balance date was 9.48%.

Liabilities (Councils financial commitments) page 5.

(a) Current Liabilities \$29,333,000 @ close 30 June 2013

(b) Non-Current Liabilities \$44,010,000 after 30 June 2013

Total Liabilities (a) + (b) = \$73,343,000 actual.

How ever the Budgeted 2012/13 Total Liabilities was set at \$61,245,000 which means the actual Total Liabilities are \$12,098,000 higher than the Budget or 20% higher.

The Total Financial Liabilities \$67,357,000 page 33

Council has reported a Surplus of \$34,500,000 a 25% increase greater than the 2012/13 Budget of \$27,546,000 or \$6,954,000 more.

Councils underlying Surplus is \$34,500,000 less \$25,839,000 (Contributions Non-Monetary Assets) page 2 & 15.
 Adjusted back to a total \$8,661,000

Contributions Non-Monetary Assets (Note 5 page 3)

2012/13 Budget estimate \$16,000,000

2012/13 Actual \$25,839,000

An actual increase of \$9,839,000 or 61%

However

Their is an unknown value not reported.

That is budgeted listed items NOT expensed as at years end 30 June 2013. They are reported by Council as Carry-Overs from previous years.

All Ratepayers are encouraged to enquire about a finite listing of Carry-Overs. Items approved by the majority of

Councillors as listed in budgets.

Ratepayers should note, Carry-Overs has become the norm each year. Each year all ratepayers pay their rates expecting all approved budgeted listed items to be expensed by years end 30 June each year.

Carry-Overs over past years are:-

2009/10 \$13,195,140

2010/11 \$11,162,114

2011/12 \$18,710,731

2012/13 as at 30 March 2013 \$20,295,830

2012/13 End of year financial figure \$23,727,781

References:-

General Council Meeting 16 September 2013 - item 11 (hard copy).

Cardinia Shire Council - Standard Statements.

Cardinia Shire Council - Annual Financial Report

Cardinia Shire Council - Key Strategic Activities 2012-13

Refer to the Local Government Act 1989. Revision 120. 22 July 2013

www.dpcd.vic.giv.au

Local Government Act

Read the. Local Government Act 1989

Authorised Version

Look/read. Section 94A page 174. Functions of the Chief Executive Officer.

Section 94A (1) (b) (c).

www.cardinia.vic.gov.au/files/Budget_2013_14/Summaryofproceedingsbudgetinformationsession.docx